

Exchange Pricing Terms and Business Rules (Baseline Locked 19 January 2007)	
Standard Price (SP) = Latest Acquisition Cost (LAC) plus Cost Recovery Rate (CRR)	
Exchange Price (EP) = Loaded Repair Cost (LRC) plus Cost Recovery Rate	
Delta = Standard Price minus Exchange Price	
Serviceable Standard Price Return = Serviceable Credit Rate	
Serviceable Exchange Price Return (SEPR) = Exchange Price minus Cost Recovery Rate	
Unserviceable Credit = Standard Price minus (Loaded Repair Costs + Cost Recovery Rate)	
Delta Delay Days = Parameter specified period of time used to track EP relevant transactions and generate billing trigger	
Active Tracking = EP relevant transactions resident in EP Tracking that have not exceeded Delta Delay days	
Inactive Tracking = EP relevant transactions that have moved from Active Tracking as a result of matching issues and turn-ins or exceeding Delta Delay Days.	
Loaded Repair Cost = (Average Repair Cost multiplied by Final Recovery Rate Percentage) plus [Latest Acquisition Cost multiplied by (1 minus Final Recovery Rate Percentage)]	
Cost Recovery Rate = The first 9 Cost Recovery Elements (CRE) identified in paragraph 55.I.2.b, V 11-B, DOD 7000.14-R (FMR). NOTE: CRE 10 (Retail Losses) discontinued. If the 9th CRE element (Carcass Attrition (Washouts & Losses) IS NOT included in CRE, add this attribute to the EP formula.	
EPBR & EPIP	Exchange Pricing Business Rules (Baseline Locked 19 January 2007)
EPBR 1	Army managed National Stock Numbers with a Maintenance Repair Code (MRC) of F, H, D, K, and L that are on an existing or planned national repair program will have an Exchange Price (EP) in addition to Standard Price (SP); all others will have only SP.
EPIP 1.1	The Exchange Price equals Loaded Repair Cost plus Cost Recovery Rate.
EPIP 1.2	AMC will establish a Standard Price (SP), Exchange Price (EP), Serviceable Exchange Price Return (SEPR), and Delta for Army managed National Stock Numbers with a Maintenance Repair Code (MRC) of F, H, D, K, and L that are on an existing or planned national repair program.
EPIP 1.3	AMC LCMC publishes and provides to LOGSA for broadcast the Army Credit Table data elements (i.e. Standard Price, Exchange Price, Serviceable Credit, Unserviceable Credit [for Non-Army Customers], Serviceable Exchange Price Return, and Delta) before the beginning of each fiscal year. With the exception of DA authorized adjustments, these numbers shall remain constant throughout the year of execution.
EPIP 1.4	LOGSA will create new data fields in the Army Credit Table in coordination with AMC based on EPIP 1.3.
EPIP 1.5	Army EP customer requisitions for items with Army EP will be charged the Exchange Price (EP).
EPIP 1.6	Deleted
EPIP 1.7	Deleted
EPIP 1.8	There is no unserviceable credit for Army EP customers.
EPIP 1.9	NSN-by-NSN Credit policy applies only to serviceable returns that are not EP.
EPIP 1.10	If a serviceable turn-in is made against an EP item, the customer will be credited with Serviceable Exchange Price Return (SEPR) upon receipt of positive trigger from tracking.
EPIP 1.11	Customers will be billed (on original issue document number) for the Delta (SP-EP) for EP items when a repairable carcass is not returned within a parameter specified period of time (Delta Delay) from the issue date, or when a condemned carcass is turned in against an issue.
EPIP 1.11.1	The Delta bill will be applied to the FY of the original Document Number and suffix as an obligation adjustment.

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EPIP 1.11.2	Delta Delay period of time will be established by HQDA for theater or other area of operations down to a supporting Supply Support Activity (SSA) level. Exceptions may be requested through AFSB, AMC G3, to Army G4.
EPIP 1.12	The process will accommodate catalog changes from EP to SP and from SP to EP.
EPIP 1.12.1	All financial transactions processed after the effective date of a catalog change from EP to SP and SP to EP will be at the new value.
EPIP 1.13	The customer will receive purchase price for Quality Initial Failure (QIF) and up to purchase price for Quality Deficiency Report (QDR) IAW current policy.
EPIP 1.14	Those Supply Support Activities (SSA), which have been approved by DA G-4 to remain in an O&M environment, will be billed Standard Price for <u>all</u> items. They will receive serviceable credit (Stock Number by Stock Number) for serviceable turn-ins, but will receive no credit for unserviceable turn-ins.
EPIP 1.15	Non-Army customers will be billed SP and issued credit upon return of a carcass IAW JSR 700-99.
EPBR 2	Processes will be developed to track EP transactions based on established Business Rules. Tracking will initially be accomplished for SARSS supported customers. EP tracking ultimately will migrate to enterprise systems GCSS-Army and LMP.
EPIP 2.1	The process will identify by customer DoDAAC and prime stock number for all lines with an EP value assigned, and will capture all required transactions.
EPIP 2.1.1	EP and SP rolled up to Prime Stock Number using the FEDLOG Order of Use (OOU) File. Local SNRF (SARSS YBH Table) will not impact EP/SP automation logic.
EPIP 2.2	The process matches customer issues to customer returns and customer returns to customer issues, and monitors Delta Delay days.
EPIP 2.2.1	The start point for tracking expected returns for customer issues will be scenario driven. For customer issues from a supporting SSA that do not have a matching turn-in, the clock will start on the date issue is made (SSA MRO date).
EPIP 2.2.2	When a customer turn-in matches an issue within prescribed Delta Delay days, the tracking process is complete.
EPIP 2.2.3	The start point for tracking expected returns for remote and dedicated customer issues from National (consignee must be a unit) will start on shipment confirmation (AS_), and restart on the receipt (D6_) transaction date.
EPIP 2.3	The process matches customer issues against the (in order): a. oldest Inactive repairable turn-in; b. oldest Inactive condemned turn-in; c. oldest Active repairable turn-in; d. oldest Active condemned turn-in. If no match, the process creates a new record in tracking and starts the Delta Delay clock.
EPIP 2.3.1	The process will take into account process reversals (i.e. denials), and transactions that post out of sequence.

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EPIP 2.4	<p>The process attempts to match customer turn-ins against the oldest Active Issue. If a match and:</p> <ul style="list-style-type: none"> a. Turn-in is serviceable, generate a trigger to issue SEPR. b. Turn-in is unserviceable repairable, move to inactive tracking c. Turn-in is unserviceable condemned, generate Delta trigger <p>If no match and:</p> <ul style="list-style-type: none"> a. Turn-in is serviceable, generate a trigger to issue SEPR. b. Turn-in is unserviceable repairable or condemned, create new record in tracking and start the Delta Delay clock but do not generate a Delta Bill.
EPIP 2.5	When a turn-in transaction is not processed within the prescribed Delta Delay days, the Tracking System will create a Delta trigger transaction and pass it to LMP/CCSS, which will generate and pass the appropriate financial transactions to financial CCSS/LMP.
EPIP 2.5.1	Deleted
EPIP 2.6	The process will purge an unserviceable EP turn-in transaction from tracking if there is no matching issue transaction within 365 days.
EPBR 3	Year-end processes must accommodate EP transactions across fiscal years without adverse effect on appropriations or mission (i.e. by increasing financial workload at installation and wholesale levels, including any automation systems).
EPBR 4	The LIW will capture data from SARSS supply system of record via FCM for management reports for the customer, materiel managers, and financial managers.
EPIP 4.1	Deleted
EPIP 4.2	A procedure will be available to resolve posting errors.
EPIP 4.3	Each MACOM will establish a discrepancy validation process with AMC Representation.
EPIP 4.4	ASA FM&C and HQDA G4 will create a periodic panel to act as resolution authority and set a standard timeframe for resolution of unresolved discrepancies.
EPIP 4.5	AMC will determine process and procedures for reversal of charges.
EPIP 4.6	The LIW is the reporting activity for tracking information.
EPBR 5	Conversion process will accommodate transition to the new environment by providing linkage among the fielding schedule, required catalog changes, systems changes and customer funding.
EPIP 5.1	Active/open transactions generated in the pre-conversion environment will continue to function in the new EP environment.
EPIP 5.2	A turn-in that occurs within Delta Delay days after conversion, but does not have a matching issue, will receive credit.
EPIP 5.2.1	A serviceable turn-in that occurs within Delta Delay days after conversion without a matching issue will receive Serviceable Exchange Price Return (SEPR) upon receipt of positive trigger from tracking.
EPIP 5.2.2	An unserviceable turn-in that occurs within Delta Delay days after conversion without a matching issue will receive Unserviceable Credit and will not be posted into tracking.
EPIP 5.2.3	An unserviceable condemned turn-in that occurs within Delta Delay days after conversion without a matching issue will not receive Unserviceable Credit.
EPIP 5.3	Conversion process must address National Level backorders prior to EP Implementation when an A5_ and D6_ produced under EP logic.
EPIP 5.3.1	A requisition on backorder at conversion, when issued, will be billed the EP value. The Issue will post in tracking and the customer will receive a Delta bill if a Turn-in is not processed within the set number of Delta Days.
EPIP 5.4	Cataloged O&M items will be capitalized in accordance with paragraph F.1 of chapter 55, volume 11B of the DOD Financial Management Regulation (FMR) (i.e., similar to SSF MS3 conversions).

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EPIP 5.5	Locally assigned Stock Numbers, part numbers, Management Control Numbers, and part numbers not in FEDLOG will be O&M funded normal inventory. SOS = LPC.
EPBR 6	Items used in nationally reimbursed maintenance work will be billed at SP and use current credit policies. LCMC is approving authority for this work.
EPBR 7	Procedures will be developed to address Exchange Pricing under contingency operations.
EPIP 7.1	Changes to EP under contingency operations approved by Department of the Army.
EPIP 7.2	In support of Department of the Army contingency operations, systems architecture will support the capability to charge standard price and grant no credit, serviceable or unserviceable, for a Turn-in.
EPBR 8	Deleted
EPBR 9	AWCF funded National Maintenance work will be direct cited.
EPIP 9.1	CASCOM in coordination with PM SAMS will develop procedures to implement